GOVERNMENT OF INDIA
COMMUNICATIONS
LOK SABHA

UNSTARRED QUESTION NO:4557
ANSWERED ON:24.04.2000
PROFITS IN DEPARTMENT OF TELECOMMUNICATIONS
CHINTAMAN NAVSHA WANAGA

Will the Minister of COMMUNICATIONS be pleased to state:

(a) whether the Department of Telecommunications have made profits in some areas during 1998-99 and 1999-2000;

(b) if so, the details thereof alongwith the areas of profit, year-wise;

(c) whether the Government propose to provide some relief in rent or increase of local free calls to subscribers paying bi-monthly bill up to Rs. 1,000/-

(d) if so, the details thereof and if not, the reasons therefor; and

(e) the details of the areas where these profits are utilised?

Answer

MINISTER OF STATE FOR COMMUNICATIONS

(SHRI TAPAN SIKDAR)

(a), (b) and (e) The network owned by DoT/DTS is an integrated all-India Network and area-wise(Circle-wise) profitability is not worked out. The `Surplus` (viz. The excess of income earned from all service over net operating expenses of running these services) is determined for the Department as a whole. This `Surplus` together with depreciation (an internal resource) and `borrowing`,if any, is entirely ploughed back as Capital expenditure on projects, etc. The `Surplus` earned in1998-99 was Rs. 7646.05 crores and anticipated in 1999-2000 is Rs. 7250 crores.

(c) and (d) . The tariffs for Telecom Services are fixed by the Telecom Regulatory Authority of India, specially constituted for this purpose by an Act of Parliament. Despite a steep rise in the monthly telephone rental and reduction in free calls notified by the Authority with effect from May 1999, the Department of Telecom Services has already provided relief to all Rural subscribers and Urban low calling subscribers (those who make up to 200 calls in a month) by not increasing the rental and local call charges.